

**Purchase and Lease of 30/32 Tuas Avenue 8, Singapore 639246/7**

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**1. INTRODUCTION**

Freight Links Express Holdings Limited (the “**Company**” or “**FLEH**”) is pleased to announce that its wholly-owned subsidiary, Freight Links Fabpark Pte Ltd (“**Purchaser**”), has entered into a sale and purchase agreement dated 13 June 2005 (the “**S&P Agreement**”) with STMicroelectronics Pte Ltd, a company incorporated in Singapore, to purchase the Property known as 30/32 Tuas Avenue 8, Singapore 639246/7 (the “**Proposed Transaction**”).

Also on the same date, the Purchaser entered into a lease agreement with Microcircuit Technology (2002) Pte Ltd (the “**Lessee**”), a Singapore subsidiary of listed AEM-Evertech Holdings Ltd (“**AEM-Evertech**”), for an initial 10-year lease of the Property (the “**Lease**”). The Lease is conditional upon the S&P Agreement being completed. AEM-Evertech has given a parent company guarantee to guarantee the due performance of the Lessee under the Lease.

**2. RATIONALE FOR THE TRANSACTION**

The Proposed Transaction is in line with the Group’s investment strategy to redeploy its capital more efficiently for higher yield investments. Based on the purchase price, the Property is expected to generate an average property yield of 11.3 per cent per annum.

**3. INFORMATION ON THE PROPERTY**

The Property is located at the junction of Tuas Avenue 8 and Tuas Avenue 1, within Jurong Industrial Estate and approximately 28 km from the city centre at Raffles Place. The surrounding locality generally comprises both purpose-built as well as JTC standard factories.

The Property comprises 2 units of JTC Standard Type ‘E8’ factory buildings (Building 1 & 2) completed around 1996 and a 4-storey purpose-built factory (Building 3) completed around 1997. The total gross floor area is approximately 14,505 sqm. It has a leasehold interest for a term of 30 years commencing from 1 September 1996 with an option to renew for a further term of 30 years. The minimum investment criteria for the further term of 30 years have been met by the Vendor.

**4. PRINCIPAL TERMS OF THE TRANSACTION**

4.1 The proposed purchase price for the Property is S\$11.5 million (the “**Purchase Price**”), and was arrived at on a willing-buyer willing-seller basis, and is supported by the valuation done by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

4.2 A refundable deposit of S\$1.15 million has already been paid by the Purchaser. Upon the completion of the Proposed Transaction, the Purchaser will have to pay S\$10.35 million,

being the balance of the purchase price of S\$11.5 million.

- 4.3 Completion under the S&P Agreement is conditional upon certain conditions being satisfied, including the obtaining of the approval of Jurong Town Corporation for the sale of the Property. The Purchaser may terminate the agreement in the event that its due diligence investigations are not satisfactory, or in the event that any of the representations and warranties given by the seller are incorrect. In the event of termination, the deposit (including interest earned thereon) shall be returned to the Purchaser. The S&P Agreement also contains customary terms as to the duties and obligations of the seller pending completion, and the obligation to rectify identified defects.
- 4.4 On Completion, the Purchaser will lease to the Lessee the Property for a term of 10 years at an initial annual rent of approximately S\$1,296,000 and at a 1.75% rent escalation per annum for each subsequent year.

The Lease also contains customary terms as to the duties and obligations of each of the Tenant and the Landlord.

## 5. VALUATION

The open market value of the Property based on the valuation carried out by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and commissioned by the Company, is S\$11.5 million as at 6 June 2005.

## 6. METHOD OF FINANCING

The Proposed Transaction is financed through bank borrowings and internal funding.

## 7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE SGX-ST LISTING MANUAL

The relative figures for the Proposed Transaction computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual, are as follows:-

<b>Rule 1006</b>	<b>Bases</b>	<b>Computation</b>
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	Net profits attributable to the assets acquired, compared with the Group's net profits	Not applicable
(c)	Aggregate value of consideration, compared with the Company's market capitalization as of 10 June 2005	8.01%

(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
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Note: Group refers to the Company and its subsidiaries

Based on the above, the Proposed Transaction is a discloseable transaction under Chapter 10 of the Listing Manual.

## 8. FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Proposed Transaction on the FLEH Group would be as follows:-

### (a) Net tangible assets ("NTA")

Assuming that the Proposed Transaction had been completed on 30 April 2004 and based on the Group's audited consolidated financial statements for the financial year ended 30 April 2004, there is no material impact on the consolidated NTA of the Group

### (b) Earnings per Share

Assuming that the Proposed Transaction had been completed on 1 May 2003 and based on the Group's audited consolidated financial statements for the financial year ended 30 April 2004, the pro forma effects on the consolidated earnings of the Group would be as follows:-

	Before Proposed Transaction	After Proposed Transaction
Profit after tax and minority interests (S\$'000)	4,663	5,434
Earnings per share (cents)	0.67	0.78

## 9. DIRECTORS' INTERESTS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Transaction.

### By Order of the Board

Thomas Woo  
Executive Director & CFO  
Singapore, 13 June 2005